

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

USSAG NAKHON PHNOM

CINCPAC

COGARD POLAD

XMT AMEMBASSY SUVA

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E.O. 11652 N/A

TAGS: PFOR, XC, US

SUBJECT: NOVEMBER 28 EA PRESS SUMMARY

CHINA

1. NYT REPORTS HOUSTON ANNOUNCEMENT BY M.W. KELLOGG CO.
THAT IT RECEIVED FIVE PRC CONTRACTS FOR CONSTRUCTION
OF FIVE AMMONIA PLANTS VALUED AT US 130 MILLION DOLLARS.
EACH CALLS FOR DESIGN, ENGINEERING AND SUPPLY OF
MATERIALS AND EQUIPMENT FOR 1000 TON DAILY OUTPUT
PLANTS, LOCATIONS STILL UNKNOWN TO KELLOGG. THESE ARE IN
ADDITION TO THREE SIMILAR CONTRACTS WORTH 70 MILLION,
MAKING EIGHT PLANT TOTAL, PLUS JOINT CONTRACTS FOR TWO
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OTHER PLANTS TO BE HANDLED JOINTLY WITH TOYO ENGINEERING
OF JAPAN USING KELLOGG DESIGN. KELLOGG'S DUTCH AFFILIATE
WILL ALSO BUILD EIGHT UREA PLANTS IN CHINA WITH 1620
TON DAILY CAPACITY EACH.

2. PEKING AND LONDON ANNOUNCE DATES FOR PM HEATH/S
OFFICIAL VISIT AS JAN- 4-12. JOC CALLS THIS CULMINATION
OF RAPIDLY IMPROVING RELATIONS SINCE NADIR OF CULTURAL
REVOLUTION; REPORTS BRITISH EXPORTS TO PRC, BOOSTED
BY TRIDENT SALES, EXPECTED TO DOUBLE THIS YEAR TO AROUND
US 168 MILLION.

3. JOC HK REPORTS THAT ATTENDANCE AT CANTON FAIR APPARENTLY
DROPPED SLIGHTLY, PRESUMABLY BECAUSE BUYERS SCARED AWAY

BY HIGH PRICES AT SPRING FAIR. BUT TRADE VOLUME AT
FAIR ROSE TO RECORD LEVELS OF BETWEEN US 1.4 BILLION DOLS
AND 1.6 BILLION, WHICH PROMPTS CONCLUSION THAT PRC
TOTAL 1973 FOREIGN TRADE MAY REACH 7.2 BILLION, UP
FROM 1972'S 5.6 BILLION. 200-ODD AMERICANS AT FAIR
PURCHASED ESTIMATED US 25-30 MILLION AND SOLD 10-15
MILLION. US PURCHASES WERE CHIEFLY HANDICRAFTS, GARMENTS,
TEXTILES AND CHEMICALS, WHILE SALES WERE CHIEFLY IN
CHEMICAL FIELD.

4. NYDN SPECIAL CORRESPONDENT ALAN CASTRO IN HK SAYS
PHILS, THAILAND AND MALAYSIA ON VERGE OF ESTABLISHING
DIPLOMATIC RELATIONS WITH PRC, ACCORDING TO "DIPLOMATIC
OBSERVERS". QUOTES MARCOS' PRESS SECRETARY TATAD
IN HK NOV. 26 AS SAYING PHILS ARE ABOUT TO ESTABLISH
"ECONOMIC UNDERSTANDING" WITH PRC, AND "GREATER POLITICAL
UNDERSTANDING WILL LOGICALLY FOLLOW". HK SOURCES
SAID THAI AND PRC OFFICIALS SECRETLY MEETING IN NY;
MALAYSIA EXPECTED TO BE FIRST ASEAN MEMBER TO RECOGNIZE
PRC, AND SINGAPORE EXPECTED TO FOLLOW MALAYSIAN LEAD.
CASTRO SAYS TREND "REFLECTS THE WARMING OF RELATIONS"
BETWEEN THE US AND PRC.

AUSTRALIA

5. UPI (NYDN) REPORTS GOV. REAGAN WHILE ON 3 NATION
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TRADE TOUR DEFENDED PRESIDENT WHILE IN SYDNEY. NYT,
DUSTING OFF YESTERDAY'S STORY, SAID THAT WHEN PRESSED
IN SYDNEY ABOUT JUSTIFICATION FOR FUEL EXPENDITURE
FOR TRIP, REAGAN SAID HE WAS "REPRESENTING PRESIDENT
ON DRIVE TO INCREASE TRADE." HIS FIRST ENGAGEMENT
IN SYDNEY WAS SPEECH TO 350 BUSINESSMEN ON GOVT ENCROACH-
MENT ON INDIVIDUAL RIGHTS (NYDN, UPI, NYT).

KOREA

6. NORTH-SOUTH REPS WILL MEET DEC. 5 TO DISCUSS RESUMPTION
OF REUNIFICATION TALKS (CSM, WP). WP'S OBERDORFER
REPORTS THAT FIRST ORDER OF BUSINESS WILL BE REORGANIZATION

OF COORDINATING COMMITTEE. SIGNS POINT TO KCIA CHIEF LEE'S REMOVAL AS HEAD OF SK SIDE; IN RECIPROCAL GESTURE, NK MAY DROP KIM IL-SONG'S BROTHER. INFORMED SOURCES SAY REMOVAL OF LEE MAY BE FIRST STEP IN REPLACEMENT OF KCIA CHIEF WHOSE ACTIVITIES HAVE CREATED CONTROVERSY AND EMBARRASSMENT (WP).

7. IN CONTINUATION OF STUDENT PROTESTS, 500 UNIVERSITY STUDENTS CLASHED WITH POLICE, AT LEAST 50 ARRESTS MADE AT SUNG KYUN KWAN U. ANOTHER DEMONSTRATION OF

500 STUDENTS WAS HELD AT SOGANG UNIVERSITY.
38 STUDENT MEMBER OF PRESBYTERIAN CHURCH STAGED FIRST STREET MARCH (OUTSIDE CHURCH) SINCE UNREST BEGAN LAST OCTOBER. 22 ARRESTED ON SIDEWALK (NYT, SUN).

PHILIPPINES

8. MARCOS DECLARED STATE OF CALAMITY IN SIX PROVINCES HIT BY TROPICAL STORM. A LEAST 75 KILLED, 12 INJURED AND 57 MISSING. NYDN SAYS US MARYKNOLL PRIEST GERLOCK PLED NOT GUILTY TO CHARGES OF GOP THAT HE WORKED FOR A SUBVERSIVE ORGANIZATION CALLED FEDERATION OF FREE FARMERS. IF CONVICTED HE FACES DEPORTATION AFTER 11 YEARS IN PHILIPPINES. ABOUT 50 PRIESTS AND NUNS ATTENDED HEARING, AS WELL AS US CONSUL PETERSON. CHARGES PUT ADDED STRAIN ON RELATIONS BETWEEN GOP
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AND MILITANT PRIESTS. NYT NOES 22 PRIESTS AND NUNS DETAINED AT VARIOUS TIMES UNDER MARTIAL LAW (NYT).

INDONESIA

9. SUMATRA MILITARY COMMANDER SAYS FOREIGN TRAWLERS REPEATEDLY CAUGHT FISHING ILLEGALLY WILL BE FINED HALF ESTIMATED VALUE OF VESSEL. ANTARA SAYS 22 TRAWLERS CAUGHT RECENTLY (AFP, WP).

JAPAN

10. JAPANESE FTC RAIDED OFFICES OF 13 MAJOR OIL WHOLESALERS AND PETROLEUM ASSOC IN SEARCH OF EVIDENCE OF PRICE FIXING. COMPANIES ALSO SUSPECTED OF ILLEGAL CURTAILMENT OF PETROLEUM SHIPMENTS. FTC OFFICIALS CHARGE PETROLEUM ASSOC INSTRUCTED WHOLESALERS TO RAISE PRICES 35 PERCENT OR MORE ON PETROLEUM DERIVATIVES SEVERAL TIMES THIS YEAR. RAIDS CAME AS COMPANIES PLANNED FOURTH INCREASE. WHOLESALERS JUSTIFY COORDINATION AS RESULT OF MITI-PLANNED CONSUMPTION CUTBACK. PROMINENT JAPANESE ECONOMIST TOLD JOC "WITH GOVT. DEMANDING CURBS ON OIL USAGE AND CONSIDERING RAISING

COST OF USING OIL PRODUCTS IT IS UNLIKELY FTC WILL BE ENCOURAGED TO PURSUE THIS MATTER." MEANWHILE, CABINET HAS INFORMALLY DECIDED TO SEND DEPUTY PM MIKI AS SPECIAL ENVOY TO TEN ARAB STATES TO URGE OPEC TO RELAX OIL EMBARGO, OFFERING INCREASED ECONOMIC AND TECHNOLOGICAL ASSISTANCE IN RETURN. UNOFFICIAL DECISION FOLLOWED OHIRA REPORT THAT GOJ HAD RECEIVED NO REACTION TO NOV. 22 "PRO-ARAB" DECLARATION. JAPANESE AMBASSADOR TO INTERNATIONAL ORGANIZATIONS

IN GENEVA, KITAHARA, MET WITH SAUDI OIL MINISTER YAMANI TO EXPLAIN GOJ ME POSITION (JOC).

11. TOKYO STOCK MARKET PLUNGED TO NEW YEARLY LOW WHEN DJ INDICATOR CLOSED DOWN 82.96, REFLECTING SHARP SETBACKS ON WALL STREET AND OTHER MAJOR FOREIGN EXCHANGES. WHILE OIL COMPANIES SUFFERED, COAL MINING STOCKS ROSE. US DOLLAR/YEN RATIO REMAINED UNCLASSIFIED

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UNCHANGED AND JOC REPORTS IT WOULD NOT BE SURPRISED IF BOJ DID NOT INTERVENE.

12. CHITRIB REPORTS US ANALYSTS SPECULATE BOJ MAY SWITCH HOLDINGS FROM LONG TERM USG ISSUES TO SHORTER MATURITY TREASURY BILLS, TO CUSHION SEVERE DETERIORATION OF JAPAN'S INTERNATIONAL RESERVE ACCOUNT. THIS RUMOR WAS FUELLED WHEN FED BOUGHT 400 MILLION DOLLAR TREASURY BILLS TO HOLD FOR CUSTOMER; SPECULATION IS CUSTOMER WAS BOJ.

13. DIRECTOR OF BANK OF TOKYO WAS NAMED GENERAL MANAGER OF NEW YORK BRANCH AS WELL AS ELECTED CHM OF BOARD OF BOT TRUST CO. (JOC).

14. HONDA, MITSUBISHI AND FUJI HEAVY IND. ANNOUNCE PRICE BOOSTS FROM 4.1 PERCENT TO 7.5 PERCENT FOR CARS AND TRUCKS SOLD DOMESTICALLY (NYDN FROM ASAHI).

15. JAPANESE SEAMEN'S UNION WARNS DOMESIC SHIPPERS OF PLANNED STRIKE BY MARCH AGAINST SHIPPERS' USE OF LOW-SALARIED FOREIGN SEAMEN (JOC).

16. CONTRARY TO EARLIER AP STORY, PRESS REPORTS AND PHILS. ARAB LEAGUE SEC. GEN. RIAD SAID JAPAN AND PHILS WOULD BENEFIT FROM SAME EASING OF RESTRICTIONS GRANTED EEC (AP, WSJ). BOTH WILL BE EXEMPT FROM SCHEDULED 5 PERCENT DECEMBER CUT. ARAB OFFICIALS SAY EXEMPTION IS REWARD FOR POLICY MORE FAVORABLE TO "ARAB CAUSE" (NYT).

17. WINDER(CSM) REPORTS SUDDEN INTEREST IN PALESTINIAN

PLANNING TO INCREASE THEIR CONTRIBUTION TO UNRWA
FOR AID TO PALESTINIANS.

.8. GOJ VICE FM HOGEN TOLD REUTER OF PROPOSAL
18. GOJ VICE FM HOGEN TOLD REUTER OF PROPOSAL
ON EEC DECLARATION ON COOPERATION PUT FORTH BY
GERMANY, NETHERLANDS AND BELGIUM, NO DETAILS WERE

AND AN EARLIER FRENCH PROPOSAL UNTIL IT FINISHES
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STUDY OF HAK PLAN FOR JOINT US, GOJ AND EEC COOPERATION
(CSM).

19. CSM DOES BRIEF SKETCH ON FUKUDA, CALLING HIS
APPOINTMENT "BITTERSWEET MOMENT".

INDOCHINA

20. VC RADIO QUOTES CAMBODIAN INSURGENT PRESS AGENCY
THAT US COLONEL AMONG 74 OFFICERS "KILLED OR CAPTURED"
BY KHMER REBELS FROM OCT. 15 TO NOV. 15. AMEMBASSY
AND VC SPOKESMEN IN SAIGON SAY THEY KNOW NOTHING
OF REPORT; DOD DENIES COLONEL MISSING (AP, NYT;
WP).

21. REBELS TRY TO OUTFLANK GKR TROOPS PUSHING TO
REOPEN ROAD, HIT FANK WITH MORTAR BARRAGES NEAR
KOMPONG SPEU (UPI, NYDN). FIELD REPORTS SAY BOTH
SIDES SUFFER MANY CASUALTIES IN FIGHT FOR ROUTE
4 VILLAGE 36 MILES FROM PP (AP). REBELS AMBUSH
FANK PATROL NEAR SALA LEK PRAM, ON ROUTE 5 TO BATTAMBANG,
27 MILES NW OF PP (UPI, NYDN).

22. TWO 122-MM ROCKETS FIRED AT POCHENTONG MISS
RUNWAY, DO NO DAMAGE (UPI, NYDN; AP; REUTER). FANK
SOURCES SAY 27 REBELS, 2 GKR SOLDIERS KIA IN ENEMY
ATTACK 12 MILES WEST OF PP (AP). HEAVY FIGHTING
REPORTED AT VIHEAR SUOR, 10 MILES NE. MEKONG CONVOY
ARRIVES AT PP AFTER ESCORT FIGHTS OFF 5 REBEL ATTACKS
(UPI, NYDN). REBELS SHELL SURROUNDED TAKEO CITY
AS KAF T-28S BOMB POSITIONS (REUTER; UPI, NYDN).

23. MCCOMBS FROM PP REPORTS ON FANK RECRUITMENT
EFFORT AS BOTH SIDES RACE TO FILL RANKS. VIOLINS
AND PRETTY GIRLS WELCOME ROOKIES AT FANK RECEPTION
CENTER. DRAFT AND RECRUITING DRIVE, NOW 6 WEEKS
OLD, HAVE YIELDED 9500 MEN. SOME SAY THEY WERE
"ARRESTED" BY MPS, BUT MANY VOLUNTEERED TO FIGHT
VC. DIPLOMATICS SAY THAT THE 6 WEEKS OF BASIC TRAINING
GIVEN AT 6 CENTERS THROUGHOUT THE COUNTRY DOES NOT
PRODUCE HIGH-QUALITY SOLDIERS, BUT ONE FOREIGN MILITARY

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OBSERVER SEES THIS AS NOT IMPORTANT SO LONG AS TROOPS
CAN SHOOT AND MAINTAIN THEMSELVES IN THE FIELD.
MCCOMBS QUOTES HIGH-RANKING DIPLOMAT THAT IF GKR
CAN FILL OUT ITS 253,000-MAN FORCE STRUCTURE, IT
CAN'T BE BEATEN BECAUSE IT WILL HAVE TOO MANY MEN
AND ARMS. AT ABOUT 180,000, FANK IS STILL 70,000
SHORT. REBELS ALSO BELIEVED TO BE HAVING RECRUITMENT

DIFFICULTIES, THOUGHT TO BE RESORTING TO FORCED
CONSCRIPTION IN THEIR AREAS, AND ARE EXPECTED TO
LAUNCH OFFENSIVE SOON.

24. UPI WASHINGTON REPORTS THAT DOS HAS REQUESTED IMMEDIATE
RELEASE OF EMMET KAY, CIVILIAN PILOT HELD BY PL
SINCE MAY, WHEN HE LANDED ON UNUSED AIRSTRIP IN
PL-CONTROLLED AREA BECAUSE OF BAD WEATHER OR LACK
OF FUEL.

25. RLG CHIEF OF STAFF SAYS TROOPS PREPARING TO
MOVE 27 KM NE OF VIENTIANE TO NEUTRALIZE CAPITAL
TO COMPLY WITH PEACE PROTOCOL, STATES PULLOUT WILL
TAKE TIME BECAUSE OF LIMITED MILITARY BUDGET (UPI).

26. GVN DELEGATION O PARIS POLITICAL TALKS CITES
VC REFUSAL TO MEET THURSDAY, BECAUSE OF ALLEGED
GVN BOMBING RAIDS ON VC TERRITORY, AS ANOTHER EXAMPLE
OF COMMUNIST ATTEMPTS TO MAKE PEACEFUL SOLUTION
IMPOSSIBLE (UPI).

27. CLARITY (NYT) FROM VUNG TAU WRITES OF THIEU'S
"ADMINISTRATIVE REVOLUTION" TO CUT RED TAPE AND
"JOSTLE" GVN'S 278,000 CIVIL SERVANTS, 68,000 OF
WHOM WORK IN SAIGON. SO FAR 12,000 HAVE PASSED
THROUGH VUNG TAU TRAINING CENTER AND 3000 ARE NOW
IN CAMP. PROGRAM AIMS AT EVENTUAL DECENTRALIZATION,
SIMPLIFIED PAPER WORK AND REDUCED OFFICIAL CORRUPTION.
SOME VN OFFICIALS SEE IT AS TACTIC TO DISTRACT
PEOPLE FROM MILITARY AND ECON PROBLEMS. AFFECTED
BUREAUCRATS SEEM DOUBTFUL ABOUT MERITS OF 6-WEEKS
TRAINING THAT INCLUDES WEARING PEASANT-STYLE BLACK
PAJAMAS, POLITICAL AND MILITARY LECTURES, INSTRUCTION
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IN USE OF CAMOUFLAGE AND IN VIETNAMESE BOXING,
AND SMALL-ARMS PRACTICE. LECTURES ADVOCATE ANTI-
COMMUNISM AND ANTI-OFFICE-STAGNATION. NO RADIOS,
TVS, TAPE RECORDERS OR LIQUOR ALLOWED; WOMEN TRAINEES
KEPT IN SEPARATE CAMP SEVERAL MILES AWAY. SEVERAL

HUNDRED TRAINEES HAVE BEEN SENT TO THE PROVINCES
TO HELP WITH REFUGEE REGISTRATION. AT REFUGEE
SITE NEAR SAIGON, CLARITY NOTES NEWLY-TRAINED CIVIL
SERVANTS HARD AT WORK WHILE REGULAR LOCAL OFFICIALS
BUSY ADMIRING COLORED CHART, AND TURNING AWAY REFUGEES
APPLYING FOR HELP BECAUSE "TOO BUSY".

28. UK FONOFF SPOKESMAN ANNOUNCES CAREER DIPLOMAT
JOHN H. FAWCETT DESIGNATED FIRST AMBASSADOR TO
HANOI (UPI PHINQ, NYDN). RELATIONS SINCE 1954
HAVE BEEN HANDLED BY CHARGE (NYDN).

COMMENT AND ANALYSIS

29. LAT'S JAMESON (NOV. 26) REPORTS SPEECH BY
HERMAN KAHN AT FOREIGN CORRESPONDENTS CLUB IN TOKYO,
AFTER COMPLETING TWO-YEAR STUDY OF KOREA. KAHN
BELIEVES SK MAY SET AN EXAMPLE FOR DEVELOPING NATIONS
IN HOW TO RISE RAPIDLY TO AFFLUENCE, AND PREDICTS
ROK WILL MORE THAN DOUBLE GNP TO 2

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